

## Market headwinds persist

Etteplan's Q2 results missed our estimates across the board. With the lower-than-expected results, the company specifies its guidance. Our current estimates lie at the upper end of the specified guidance range.

- Net sales in Q2 were EUR 92.6m (Evli est. EUR 98.0m, EUR 89.8m in Q2/23), revenue increased 3.1% y/y while we expected growth of 9.1% y/y
- Organic net sales decreased by 3.3%, revenue from key accounts decreased by 6.9%.
- EBIT in Q2 amounted to EUR 5.3m (Evli est. EUR 9.0m, EUR 6.1m in Q2/23), at a margin of 5.8%.
- EPS in Q2 amounted to EUR 0.13 (Evli est. EUR 0.21, EUR 0.15 in Q2/23).
- Net sales in Engineering Solutions in Q2 were EUR 49.6m (Evli est. EUR 53.3m), EBITA in Q2 amounted to EUR 3.9m (Evli est. EUR 5.2m).
- Net sales in Software and Embedded Solutions in Q2 were EUR 24.9m (Evli est. EUR 26.8m), EBITA amounted to EUR 1.9m (Evli est. EUR 2.5m).
- Net sales in Technical Communication Solutions in Q2 were EUR 17.9m (Evli est. EUR 17.7m), EBITA amounted to EUR 1.2m (Evli est. EUR 1.6m).
- The segments were softer than expected across the board, Etteplan has implemented adaptation measures across all the service areas in order to improve operational efficiency going forward.
- Guidance (**Specified**): Revenue is estimated to be EUR 375-390m (prev. EUR 375-415m) and EBIT EUR 28-30m (prev. EUR 28-34m).
- Our current forecasts lie at the upper end of the specified guidance range (Revenue EUR 386m and EBIT EUR 30m).

### Rating

**+** BUY

Q2/24	Actual	Evli	Consensus	Q2/23	Q1/24
Net sales	92.6	98.0	97.8	89.8	97.1
EBITA	6.8	9.0	8.9	7.4	8.2
EBIT	5.3	7.6	7.5	6.1	6.7
EPS	0.13	0.21	0.22	0.15	0.16

Deviation	Actual	Evli	Consensus	Q2/23	Q1/24
Net sales		-6 %	-5 %	3 %	-5 %
EBITA		-25 %	-24 %	-8 %	-17 %
EBIT		-31 %	-29 %	-13 %	-21 %
EPS		-38 %	-41 %	-13 %	-17 %

Consensus by Factset (incl. 3 analysts)

Share price, EUR (Last trading day's closing price) **13.00**

Target price, EUR **14.5**

Latest change in recommendation **14-Jun-24**

Latest report on company

Research paid by issuer:

No. of shares outstanding, '000's **25,250**

No. of shares fully diluted, '000's **25,250**

Market cap, EURm **328**

Free float, % **16.0**

Exchange rate **0.000**

Reuters code **ETTE.HE**

Bloomberg code **ETTE FH**

Average daily volume, EURm **0.07**

Next interim report **08-Aug-24**

Web site **etteplan.com/investors**

Analyst **Atte Jortikka**

E-mail **atte.jortikka@evli.com**

Telephone

**+** BUY **o** HOLD **-** SELL

### PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2022	350.2	28.6	8.2%	-4.5	0.73	15.2	1.2	15.2	-1.2	0.36
2023	360.0	25.5	7.1%	16.2	0.66	17.7	1.1	15.8	4.7	0.30
2024E	386.4	30.1	7.8%	10.1	0.80	16.2	1.0	12.9	3.1	0.40
2025E	402.3	33.4	8.3%	22.1	0.93	13.9	0.9	11.3	6.7	0.47
2026E	412.2	36.0	8.7%	25.4	1.05	12.4	0.9	10.1	7.7	0.52

Market cap, EURm	328	BV per share 2024E, EUR	47.8	CAGR EPS 2023-26, %	11.2
Net debt 2024E, EURm	61	Price/book 2024E	2.6	CAGR sales 2023-26, %	4.6
Enterprise value, EURm	389	Dividend yield 2024E, %	3.1	ROE 2024E, %	16.8
Total assets 2024E, EURm	301	Tax rate 2024E, %	22.1	ROCE 2024E, %	14.6
Goodwill 2024E, EURm	115	Equity ratio 2024E, %	42.0	PEG, P/E 24/CAGR	1.5

All the important disclosures can be found on the last pages of this report.

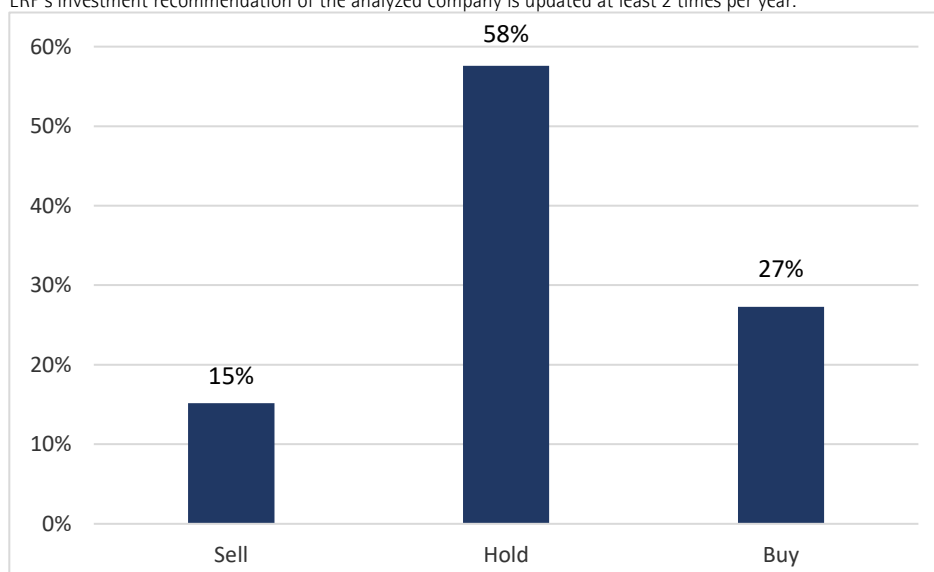
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Jortikka

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## Contact information

### SALES, TRADING AND RESEARCH

#### Equity, ETF and Derivatives Sales

Joachim Dannberg +358 9 4766 9123  
Ari Laine +358 9 4766 9115  
Kimmo Lijja +358 9 4766 9130

#### Trading

Lauri Vehkaluoto (Head) +358 9 4766 9120  
Pasi Väisänen +358 9 4766 9120  
Antti Kässi +358 9 4766 9120  
Miika Ronkanen +358 9 4766 9120

#### Structured Investments

Heikki Savijoki +358 9 4766 9726  
Aki Lakkisto +358 9 4766 9123

#### Equity Research

Atte Jortikka +358 40 054 3725  
Joonas Ilvonen +358 44 430 9071  
Jerker Salokivi +358 9 4766 9149

#### Evli Investment Solutions

Johannes Asuja +358 9 4766 9205

# EVLI

#### EVLI PLC

Aleksanterinkatu 19 A  
P.O. Box 1081  
FIN-00101 Helsinki, FINLAND  
Phone +358 9 476 690  
Internet [www.evli.com](http://www.evli.com)  
E-mail [firstname.lastname@evli.com](mailto:firstname.lastname@evli.com)

#### EVLI PLC,

**STOCKHOLMSFILIAL**  
Regeringsgatan 67 P.O. Box 16354  
SE-103 26 Stockholm  
Sverige  
[stockholm@evli.com](mailto:stockholm@evli.com)  
Tel +46 (0)8 407 8000